

Message Text

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AMCONSUL GUAYAQUIL

C O N F I D E N T I A L QUITO 0374

E.O. 11652: GDSQ: GDS

TAGS: MASS, PFOR, EC

SUBJECT: FY-1976 MAP TRAINING FOR ECUADOR

REF: SECDEF (DTG 081459Z JAN 76)

1. BEGIN SUMMARY: THE EMBASSY IS DISMAYED TO LEARN THAT DSAA HAS AGREED TO FREEZE FY 76 MAP TRAINING AT THE FY 75 LEVEL AT THE REQUEST OF THE SENATE APPROPRIATIONS SUBCOMMITTEE ON FOREIGN OPERATIONS. WHILE THE EMBASSY, OF COURSE, DOES NOT CHALLENGE THE COMMITTEE'S DESIRE TO PREVENT INCREASES IN MAP TRAINING EXPENDITURES PENDING CONGRESSIONAL REVIEW OF THE FY 76 FOREIGN ASSISTANCE APPROPRIATIONS BILL, THE FY 75 LEVEL WAS A FIRST-STEP MEASURE ADOPTED IN THE RESUMPTION OF A MAP TRAINING PROGRAM IN ECUADOR AFTER A 3-YEAR SUSPENSION BECAUSE OF FISHING BOAT SEIZURES. EMBASSY STRONGLY RECOMMENDS THAT DEPARTMENTS OF STATE AND DEFENSE MAKE A JOINT APPROACH TO SUBCOMMITTEE CHAIRMAN EXPLAINING CIRCUMSTANCES OF THE NEWLY RESUMED MAP TRAINING PROGRAM, AND REQUEST COMMITTEE AGREEMENT FOR CRA FUNDING OF FY 76 PROGRAM AT \$900,000 LEVEL PENDING CONGRESSIONAL ACTION ON THE FY 76 FOREIGN ASSISTANCE APPROPRIATIONS BILL. END SUMMARY.

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2. REFTEL INFORMED CHUSMLO OF OBJECTION BY THE CHAIRMAN OF THE SENATE APPROPRIATIONS SUBCOMMITTEE ON FOREIGN OPERATIONS TO ANY OBLIGATION OF MAP TRAINING FUNDS IN EXCESS OF FY 1975 OBLIGATIONS, AND DSAA SUSPENSION OF FURTHER CRA FUNDING OF FY 76 MAP TRAINING OVER THE 1975 MAP TRAINING LEVEL OF \$400,000. BASIS FOR SUBCOMMITTEE CHAIRMAN'S REQUEST WAS "CONSIDERATION OF THE SUBSTANTIAL ECONOMIC STRIDES MADE BY ECUADOR IN RECENT YEARS."

3. WHILE WE APPRECIATE THE CHAIRMAN'S DESIRE TO RESTRAIN MAP EXPENDITURES, WE BELIEVE HIS REQUEST OVERLOOKS TWO VERY IMPORTANT FACTS.

4. IT IS ONE THING TO FREEZE THE LEVEL OF A MAP PROGRAM WHICH IS AT FULL STRENGTH. THAT IS NOT THE CASE WITH ECUADOR. THE ECUADOREAN MAP TRAINING PROGRAM WAS RESUMED ONLY LATE IN 1974 AFTER A THREE-YEAR SUSPENSION. BECAUSE IT RESUMED AT THE BEGINNING OF FY 75, IT WAS INITIALLY FUNDED AT \$400,000 WITH AN ANTICIPATED RISE TO 8 OR 900,000 DOLLARS THE FOLLOWING YEAR. IT SHOULD BE REALIZED ALSO THAT NOT UNTIL DECEMBER 1974 WAS ECUADOR MAP TRAINING AUTHORIZED FOR THE CANAL ZONE, A FACT WHICH WOULD HAVE PRECLUDED ITS USING EVEN A FULL \$400,000 BECAUSE OF ITS INABILITY TO NOMINATE ENGLISH-LANGUAGE-QUALIFIED CANDIDATES FOR US TRAINING. IF THE MAP TRAINING PROGRAM MUST BE FROZEN AT SOME LEVEL, IT WOULD BE MORE APPROPRIATE TO REVIEW IT AT ITS ANTICIPATED FUNDING LEVEL (\$900,000) RATHER THAN JUST AFTER IT HAS BEEN STARTED UP FOLLOWING A THREE-YEAR SUSPENSION.

5. US MILITARY ASSISTANCE PROGRAMS IN ECUADOR WERE SUSPENDED IN 1971 PARTLY BECAUSE OF A LEGISLATIVELY-REQUIRED RESPONSE TO SEIZURES OF US TUNA BOATS, AND PARTLY BECAUSE OF THE ECUADOREAN COUNTER-RESPONSE IN ASKING OUR MILITARY MISSION TO DEPART. THE CAREFULLY-LAID PLANS FOR A RETURN TO A MODEST LEVEL OF MAP TRAINING AND FMS SALES WAS BEGUN IN 1974 FOR THE PURPOSE OF RE-ESTABLISHING A MORE FAVORABLE CLIMATE OF RELATIONS WITH ECUADOR, SO THAT PROGRESS COULD BE MADE TOWARD RESOLVING THE LONG-STANDING FISHERIES DISPUTE AND IN OTHER AREAS OF US INTEREST. AND WE HAVE INDEED MADE STRIDES IN REPAIRING THE UNHAPPY RELATIONSHIP WITH

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ECUADOR THAT EXISTED DURING THE PREVIOUS REGIME OF PRESIDENT VELASCO IBARRA. THE GOE HAS BEEN RECEPTIVE TO US APPROACHES, D VOTED WITH US ON SEVERAL IMPORTANT UN ISSUES AT OUR REQUEST, IMPLEMENTED A NUMBER OF IMPORTANT MOVES IN THE FISHING DISPUTE/LOS ARENA WHICH HAVE AMELIORATED OUR PROBLEMS IN THAT AREA AND BEEN ABLE TO REACH A MORE ACCOMMODATING UNDERSTANDING WITH THE TWO AMERICAN OIL COMPANIES (TEXACO

AND GULF) WHICH CONSTITUTE THE BULK OF US PRIVATE ECONOMIC INVESTMENT IN ECUADOR. IN ADDITION, THE GOE HAS JUST THIS YEAR REACHED NEW AGREEMENTS WITH THE US COVERING THE OPERATION OF NASA'S COTOPAXI STATION (NASA'S ONLY GROUND STATION CAPABLE OF SUPPORTING LOW EQUATORIAL ORBIT FLIGHTS), AN IMPORTANT BILATERAL CIVIL AIR AGREEMENT, PAID A NUMBER OF OUTSTANDING DEBTS ITS MILITARY OWED US, AND IS PREPARING TO SIGN AN AGREEMENT COVERING THE WORK OF THE DEFENSE MAPPING AGENCY'S INTER-AMERICAN GEODETIC SURVEY MISSION HERE.

6. OUR RESPONSE IS WELL-KNOWN. WE HAVE MOVED TO TERMINATE GRANT ECONOMIC ASSISTANCE, ASKED THE ECUADOREANS TO FUND REIMBURSABLE TECHNICAL ASSISTANCE PROJECTS BY AID AND THE PEACE CORPS, DENIED ECUADOR GENERALIZED TARIFF PREFERENCES UNDER THE US TRADE REFORM ACT, AND VETOED SOFT LOANS IN INTERNATIONAL LENDING INSTITUTIONS.

7. FURTHERMORE, THE SUBCOMMITTEE'S IMPRESSION THAT ECUADOR HAS MADE "SUBSTANTIAL ECONOMIC STRIDES" IN RECENT YEARS IS A BIT PREMATURE, AND MAY REFLECT THE WIDESPREAD HOSTILITY TOWARD ANY MEMBER OF OPEC WHICH HAS BEEN SO DETRIMENTALLY REFLECTED IN THE EXCLUSION OF VENEZUELA AND ECUADOR FROM GENERALIZED TARIFF PREFERENCES UNDER THE TRADE REFORM ACT. IN FACT, ECUADOR'S EXPENDITURES, OF WHICH THE VAST MAJORITY ARE FOR EDUCATION, WELFARE, PUBLIC WORKS, AND ECONOMIC DEVELOPMENT, ARE JUST BARELY EVEN WITH, AND PERHAPS EVEN EXCEED, HER PETROLEUM AND OTHER REVENUES. EVEN NOW, ECUADOR IS NEGOTIATING FOR SUBSTANTIAL LOANS FROM BOTH ITS OPEC PARTNERS AND PRIVATE WESTERN BANKS. WHILE IT IS TRUE THAT ECUADOR HAS MADE SUBSTANTIAL ECONOMIC STRIDES IN RECENT YEARS, THESE HAVE BARELY SERVED TO KEEP PACE WITH ITS ECONOMIC DEVELOPMENT NEEDS. TO ITS CREDIT, IT HAS NOT DEVOTED A LARGER SHARE OF ITS EARNINGS
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TO MILITARY EXPENDITURES (UNLIKE SOME OF ITS NEIGHBORS), AND IN THE ABSENCE OF US ECONOMIC ASSISTANCE, THE REQUESTED LEVEL OF MAP TRAINING SEEMS A MODEST US CONTRIBUTION.

8. TO FREEZE MAP TRAINING AT HALF THE ANTICIPATED LEVEL FOR FY 76 JUST AS IT IS ONCE AGAIN GETTING OFF THE GROUND WOULD CAST A PALL OVER THE IMPROVING RELATIONSHIP WE HAVE SO CAREFULLY MANAGED TO CONSTRUCT WITH THE ECUADOREAN GOVERNMENT. THIS RENASCENT RELATIONSHIP HAS BEEN BUILT IN SPITE OF THE ADVERSE EFFECTS OF THE ACTIONS OUTLINED IN PARAGRAPH 6, AND IN LARGE PART IS BASED ON BETTER RELATIONS WITH THE MILITARY GOVERNMENT DERIVING FROM RESUMPTION OF MAP TRAINING AND FMS SALES.

9. ACTION REQUESTED: EMBASSY STRONGLY RECOMMENDS THAT DEPARTMENTS OF STATE AND DEFENSE GO BACK TO THE CHAIRMAN OF THE SENATE APPROPRIATIONS SUBCOMMITTEE ON FOREIGN OPERATIONS AND EXPLAIN THE CIRCUMSTANCES OF THE JUST-RENEWED MAP TRAINING PROGRAM -- THE FACT THAT THE 1975 MAP TRAINING PROGRAM LEVEL OF \$400,000 WAS ONLY THE FIRST STEP IN RESTORING A MILITARY TRAINING RELATIONSHIP, AND A POLITICAL RELATIONSHIP, WHICH HAD BEEN HALTED FOR THREE YEARS; AND THAT IF IT IS TO BE FROZEN PENDING CONGRESSIONAL ACTION ON THE FY 76 FOREIGN ASSISTANCE APPROPRIATIONS BILL, IT SHOULD BE FROZEN AT THE LEVEL WHICH WAS ANTICIPATED FOR FY 76 RATHER THAN BE NIPPED IN THE BUD AT THE FIRST-YEAR FY 75 FUNDING LEVEL.
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